Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 ARAE-00 AGR-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-03 H-03 INR-11 L-03 LAB-06 NSAE-00 NSC-07

PA-04 RSC-01 AID-20 CIEP-03 SS-20 STR-08 TAR-02

TRSE-00 USIA-15 PRS-01 SP-03 OMB-01 SWF-02 DRC-01

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R 281715Z AUG 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 7911

INFO AMEMBASSY BOGOTA

AMEMBASSY GUATEMALA

AMCONSUL GUAYAQUIL

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

UNCLAS TEGUCIGALPA 3634

E.O. 11652: N/A

TAGS: ETRD, PFOR, HO

SUBJECT: BANANAS: DECREE 143 OF AUGUST 26, 1974

REF: TEGUCIGALPA 3572, TEGUCIGALPA 3579, TEGUCIGALPA 3608 AND STATE 187918

- 1. DECREE 143 OF AUGUST 26, 1974 PUBLISHED IN LA GACETA NO. 21,370, COPIES POUCHED TO DESK. DECREE SETS SURCHARGE ON BANANA EXPORTS AT 25 CENTS (U.S.) PER BOX WITH 5 CENT (U.S.) INCREASES DUE FIRST OF JANUARY FOR NEXT FIVE YEARS. SUMMARY OF DECREE:
- 2. PREAMBLE NOTES THAT DECREE 122 OF APRIL 18, 1974 WAS BASED UPON THE PANAMA AGREEMENT SUBSCRIBED MARCH 8, 1974. IT UNCLASSIFIED

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CONTINUES, "IN THAT IT HAS NOT BEEN POSSIBLE TO FULLY REACH

THE OBJECTIVE INDICATED BECAUSE SOME SIGNATORY COUNTRIES OF THE AGREEMENT HAVE STILL NOT ADOPTED THE NECESSARY MEANS IN ORDER TO PLACE IT INTO EFFECT, UNFAVORABLE ECONOMIC RESULTS FOR HONDURAS HAVE RESULTED FROM THE SURCHARGE ESTABLISHED AND AFFECTED THE COMPETITIVE RELATIONS OF THE HONDURAN PRODUCT INTO THE INTERNATIONAL MARKETS. FOR THIS REASON IT IS NECESSARY TO PROMULGATE THE NECESSARY LEGAL MEASURES TO SAFEGUARD NATIONAL INTERESTS" (FREE TRANSLATION).

- 3. ARTICLE 1 ESTABLISHES THE NEW RATES OF SURCHARGE COMMENCING AUGUST 26 AT A RATE OF 25 CENTS (U.S.) AND ADDING 5 CENTS (U.S.) AT THE BEGINNING OF EACH YEAR TO REACH A TOTAL OF 50 CENTS (U.S.) PER 40 POUND BOX. THE ARTICLE ALSO GIVES AUTHORITY TO THE MINISTER OF FINANCE TO EXEMPT THE PAYMENT OF THIS TAX FOR PROMOTIONAL EXPORTS OR UNDER SPECIAL CONDITIONS OF SALE TO COUNTRIES WHICH AT THE TIME OF THIS DECREE HAVE NOT BEEN REGULAR EXPORT MARKETS FOR BANANAS.
- 4. ARTICLE 2 INDICATES THE MODE OF PAYMENT TO THE CENTRAL BANK WITHIN 60 DAYS FOLLOWING THE DATE OF EMBARKATION FOR EACH SHIPMENT.
- 5. ARTICLE 3 ASSIGNS RESPONSIBILITY FOR ADMINISTRATION OF THE TAX TO THE MINISTER OF FINANCE.
- 6. ARTICLE 4 AND ARTICLE 5 PROVIDE THAT INCOME FROM THE TAX WILL BE USED EXCLUSIVELY FOR THE FINANCING OF THE NATIONAL DEVELOPMENT PLAN AND FOR EXTRAORDINARY NEEDS OF THE NATIONAL ECONOMY. A "NATIONAL DEVELOPMENT FUND" IS ESTABLISHED UNDER THE DEVELOPMENT PLAN WHICH IS TO BE ADMINISTERED BY THE CHIEF OF STATE ACTING IN THE COUNCIL OF MINISTERS IN ACCORDANCE WITH A STATUTE WHICH WILL BE PUBLISHED.
- 7. ARTICLE 6 OBLIGATES THE PERSONS CONNECTED WITH BANANA EXPORTS TO PROVIDE TO THE GOVERNMENT ALL INFORMATION NECESSARY FOR THE APPLICATION OF THIS DECREE.
- 8. ARTICLE 7 PROVIDES THAT EXPORTS PREVIOUS TO AUGUST 26 ON UNCLASSIFIED

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WHICH THE PREVIOUS TAX HAS NOT BEEN PAID WILL BE ASSESSED THE LOWER RATE ESTABLISHED IN DECREE 143.

- 9. ARTICLES 8, 9, AND 10 ANNUL DECREE 122 AND ORDER THIS DECREE PUBLISHED.
- $10.\,\mathrm{THE}$ DECREE IS SIGNED BY ELEVEN MEMBERS OR ACTING MEMBERS OF THE NATIONAL CABINET.

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

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Concepts: EXPORTS, CUSTOMS DUTIES, TRADE LAW, TREATY SIGNATURE, BANANAS, LEVIES, TAX CHANGES, SURCHARGES, PRICE

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Disposition Approved on Date:
Disposition Authority: n/a Disposition Case Number: n/a Disposition Comment: Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TEGUCI03634
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Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A

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Review Action: RELEASED, APPROVED

Review Authority: martinjw Review Comment: n/a Review Content Flags: Review Date: 12 JUN 2002 **Review Event:** Review Exemptions: n/a

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Review Markings:

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TAGS: ETRD, PFOR, HO To: STATE

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